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Report Highlights:
Post has revised all three year's of production, consumption, and trade data for all citrus. South Africa's 2008 orange production is expected to increase slightly from November's estimate to 1.28 million MT. Compared to Post's preliminary MY 2008/09 forecast, lemon production is increased by 3 percent to reach 205,000 MT and grapefruit production is decreased by 3 percent to 290,000 MT.

Includes PSD Changes: Yes
Includes Trade Matrix: No
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Pretoria [SF1]
[SF]

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Note: Post has revised all three year's of citrus production, trade, and consumption data. Due to the amount of changes made to the PSDs in all three years, discussions are centered on year to year changes, not on changes made to forecasts first published in the November 2007 Annual.

Production

The future of citrus production in the Limpopo and Mpumalanga regions is uncertain due to increasing land claims for restitution and redistribution. Many emerging farmers lack the resources and knowledge needed to be successful producers. More programs targeting these farmers are needed to maintain the production of these areas.

Current year citrus production data is not always readily available. The South African Department of Agriculture and the Citrus Growers Association's (CGA) most current published data is from the 2006 season (MY2006/07 in USDA terms); often the two data sources do not agree especially in terms of production data. Upon review of these two sources of data, post adopted the CGA production data in its back year estimates (MY2006/07). MY2007/08 and MY2008/09 production estimates were made by consulting with industry contacts and by reviewing historical trends. In some instances, were consumption and trade data were available (and reliable), the production number was determined as a residual.

Post revises MY2008/09 orange production estimates to 1.28 million MT, up from last year's production of 1.259 million MT.

Post estimates MY2008/09 lemon production up slightly to 205,000 MT, up from 200,000 MT in MY2007/08.

Post's revises MY2008/09 grapefruit production down to 290,000 MT, a decrease from MY2007/08 and more in line with historical production.

Concentrated orange juice production

South Africa's 2008 total oranges for processing is forecast at 150,000 MT. This is a large decrease from 2006's high of 284,000 MT, but back to historical levels.

Consumption

Local orange domestic consumption in 2008 will increase slightly from 2007 to 210,000 MT, back to historical levels, after plummeting in 2006 to 151,000 due to increased demand in the processing sector.

Post lowers 2008 grapefruit domestic consumption from its November estimate to 5,000 MT. Lemon and lime domestic consumption is lowered to 12,000 MT due to lower available supply, a result of increased exports.

Trade

Citrus exports reached a record high in 2007, a scenario that could repeat itself this year. Currently, total citrus shipped data, as compiled by the Citrus Growers Association (CGA), through week 23, is on par with last year at the same time. Packed data is approximately 10 percent ahead of last year. The question yet to be answered is whether this pace is sustainable.

There was an increase of shipments to the EU at the end of the 2007 season due to a few factors. First, the rand/Euro exchange rate weakened, making EU markets more attractive than dollar denominated markets. The rush to the EU market was also stimulated by an expectation that Mediterranean export volumes of citrus would fall thereby creating an opportunity for late season southern hemisphere citrus.

Post reviews trade data available from several sources. World Trade Atlas data often differs significantly from industry and government data. South African WTA data is based on South African Revenue Service (SARS) data. CGA data are based on Perishable Product Export Control Board (PPECB), who acts as an independent service provider of quality certification and cold chain management services for producers and exporters of perishable food products. While post reviews all sources of data, PPECB data is thought to be the most accurate since all citrus exports are surveyed and counted by the PPECB.

Oranges

The Citrus Growers Association (CGA) estimates MY2008/09 orange exports at 917,145 million MT, down slightly from MY2007/08. Current shipped and packed data show orange volumes are slightly behind last year.

Post estimates MY2008/09 orange exports at 920,000 MT, in line with industry estimates. Orange markets to date have focused on Northern Europe, the Middle East, U.K., Russia, and the Mediterranean.

Post revises MY2007/08 orange exports at 934,000 MT, a record high.

Back year data (MY2006/07) is revised to 732,000 MT to reflect industry estimates.

Concentrated Orange Juice

Note: Revised COJ data is reported in 65 Brix and includes HS2009.11, .12, and .19. Previous estimates and forecasts did not include all categories of orange juice.

Concentrated orange juice (COJ) exports are not inspected by PPECB and are not reported on by the CGA. Therefore, post uses WTA data to estimate COJ trade.

WTA reports COJ exports, made up of HS 2009.11, HS 2009.11, and HS 2009.19, in MY2007/08 were 13,010 MT and 16,227 in MY2006/07. To convert to 65 Brix, a conversion rate of 18.96 percent was used for HS 2009.11 (which is <20 brix).

Post estimates MY2008/09 COJ exports at 10,000 MT, down slightly from last MY.

Post revises MY2007/08 and MY2006/07 COJ exports according to WTA data, above.

Import data is also based on WTA data for the above HS codes.

Post estimates MY2008/09 COJ imports at 900 MT, up slightly from MY2007/08.

Lemons

CGA published data estimates 2007 (Indicator year 2006 on PSD tables) lemon exports at 110,143 MT (February 2007 – January 2008), a 9-percent increase from CGA's 2006 export estimate of 100,759 MT. These data differ significantly from WTA data, based on South African Revenue Service data, which reports exports significantly higher.

As of June 13, lemons packed and shipped figures are far ahead of numbers the same time last season. Shipped data show that approximately 50 percent more lemons have been shipped to date than the same time last year. Additionally, packed data is approximately 65 percent ahead of packed data the same time last year. It is unlikely that this pace will continue for the rest of the year as there is not sufficient supply to maintain this export pace. Additionally, reports indicate that fruit is much smaller than in past years.

Post estimates current crop (2008) exports (indicator year 2007 on PSD tables) at 120,000 MT, based on the above information and industry estimates.

Post revises the 2007 export estimate to 110,143 MT, in line with CGA's data.

Post also revises its back year, 2006, export estimate to 100,759 MT, in line with CGA data.

Grapefruit

CGA estimates South Africa's 2008 grapefruit exports at 194,745 MT, an 11-percent decrease from 2007. To date packed grapefruit data is on par with last year at the same time; shipped data is slightly behind last year by about 12 percent.

Post estimates 2008 grapefruit export data at 195,000, based on the above information. Major markets will be Northern Europe and the Far East. Russia is expected to increase its share of grapefruit exports, at the expense of the Mediterranean and the United Kingdom.

Post revises its 2007 grapefruit export estimate to 219, 000 MT, in line with industry estimates.

Shipping Program

The South African citrus industry is planning a strategy that will reduce delivery time to Japan to a maximum of five days. This plan will require coordination amongst all involved parties.

Policy

Food Safety in Citrus

The Citrus industry is increasing its focus on food safety, which had been implemented over about 18 years according to the "Recommended Usage Restrictions" document. The industry works closely with the National Department of Agriculture and the Department of Health to identify the risks of both food safety and traceability in citrus for South Africa and the neighboring countries. The industry is also funding research projects aimed at reducing reliance on plant protection products.

Marketing

Prices

According to the CEO of CGA, long-term production of citrus will decline despite current excellent international prices. Last year's high export prices are expected to continue, especially for products destined for the EU and Russia because of lower production in competitor citrus producing countries. The Rand depreciation increases farmer returns for exports, although increasing input costs (transport, energy, and fertilizers) continue to off-set the total profit.

Research

The Citrus Research Council (CRI) was established to collaborate a network of researchers from different research establishments, to maintain the industry's 100 year's success. False codling moth is the CRI's number one priority pest, while Citrus Black Spot and greening are CRI's second priorities for research projects. Other top priority projects include grey mite, creasing, fruit set, cultivar and rootstock development. These priority projects will be considered for funding in the final budget for 2008/9.

PSD Table

Country South Africa, Republic of
Commodity Oranges, Fresh (HECTARES)(1000 TREES)(1000 MT)

	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		02/2006	02/2006		02/2007	02/2007		02/2008	02/2008	MM/YYYY
Area Planted	40000	40000	37632	40000	40000	36582	42000	42000	38401	(HECTARES)
Area Harvested	38000	38000	35283	38000	38000	34285	39000	39000	36000	(HECTARES)
Bearing Trees	16000	16000	23640	16000	16000	22971	17500	17500	24120	(1000 TREES)
Non-Bearing Trees	2000	2000	1574	2000	2000	1539	1400	1400	1609	(1000 TREES)
Total No. Of Trees	18000	18000	25214	18000	18000	24510	18900	18900	25729	(1000 TREES)
Production	1270	1270	1167	1200	1200	1259	1250	1250	1280	(1000 MT)
Imports	14	14	0	10	10	0	10	10	0	(1000 MT)
Total Supply	1284	1284	1167	1210	1210	1259	1260	1260	1280	(1000 MT)
Exports, Fresh	1007	1007	732	900	900	934	940	940	920	(1000 MT)
Fresh Dom. Consumptior	125	125	151	160	160	200	160	160	210	(1000 MT)
For Processing	152	152	284	150	150	125	160	160	150	(1000 MT)
Total Distribution	1284	1284	1167	1210	1210	1259	1260	1260	1280	(1000 MT)

PSD Table

Country South Africa, Republic of
Commodity Grapefruit, Fresh (HECTARES)(1000 TREES)(1000 MT)

	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2006	01/2006		01/2007	01/2007		01/2008	01/2008	MM/YYYY
Area Planted	8000	8000	8451	8000	8000	7853	8100	8100	8286	(HECTARES)
Area Harvested	6900	6900	8210	6980	6980	7632	7200	7200	8052	(HECTARES)
Bearing Trees	2680	2680	5501	2700	2700	5113	2800	2800	5395	(1000 TREES)
Non-Bearing Trees	420	420	162	400	400	148	400	400	156	(1000 TREES)
Total No. Of Trees	3100	3100	5663	3100	3100	5261	3200	3200	5551	(1000 TREES)
Production	287	287	336	290	290	314	300	300	290	(1000 MT)
Imports	4	4	0	10	10	0	10	10	0	(1000 MT)
Total Supply	291	291	336	300	300	314	310	310	290	(1000 MT)
Exports, Fresh	183	183	144	200	200	219	210	210	195	(1000 MT)
Fresh Dom. Consumption	13	13	4	10	10	5	12	12	5	(1000 MT)
For Processing	95	95	188	90	90	90	88	88	90	(1000 MT)
Total Distribution	291	291	336	300	300	314	310	310	290	(1000 MT)

PSD Table

Country	South Africa, Republic of									
Commodity	Lemons, Fresh						(HECTARES)(1000 TREES)(1000 MT)			
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2006	01/2006		01/2007	01/2007		01/2008	01/2008	MM/YYYY
Area Planted	4850	4850	4408	4850	4850	4208	4900	4900	3914	(HECTARES)
Area Harvested	3000	3000	4004	3000	3000	3822	3100	3100	3555	(HECTARES)
Bearing Trees	2061	2061	2953	2070	2070	2561	2150	2150	2622	(1000 TREES)
Non-Bearing Trees	1300	1300	271	1300	1300	259	1250	1250	241	(1000 TREES)
Total No. Of Trees	3361	3361	3224	3370	3370	2820	3400	3400	2863	(1000 TREES)
Production	226	226	184	200	200	195	200	200	205	(1000 MT)
Imports	7	7	7	10	10	7	10	10	7	(1000 MT)
Total Supply	233	233	191	210	210	202	210	210	212	(1000 MT)
Exports, Fresh	133	133	100	100	100	110	110	110	120	(1000 MT)
Fresh Dom. Consumptior	21	21	12	20	20	12	20	20	12	(1000 MT)
For Processing	79	79	79	90	90	80	80	80	80	(1000 MT)
Total Distribution	233	233	191	210	210	202	210	210	212	(1000 MT)

PSD Table

Country	South Africa, Republic of			Degrees Brix						
Commodity	Orange Juice					(MT)				
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2006	01/2006		01/2007	01/2007		01/2008	01/2008	MM/YYYY
Deliv. To Processors	152000	152000	284000	150000	150000	125000	160000	160000	150000	(MT)
Beginning Stocks	2842	2842	2842	2370	2370	2465	2170	2170	196	(MT)
Production	17230	17230	25560	17000	17000	15000	18200	18200	13500	(MT)
Imports	290	290	290	700	700	741	700	700	900	(MT)
Total Supply	20362	20362	28692	20070	20070	18206	21070	21070	14596	(MT)
Exports	7992	7992	16227	7900	7900	13010	8400	8400	10000	(MT)
Domestic Consumption	10000	10000	10000	10000	10000	5000	10000	10000	4000	(MT)
Ending Stocks	2370	2370	2465	2170	2170	196	2670	2670	596	(MT)
Total Distribution	20362	20362	28692	20070	20070	18206	21070	21070	14596	(MT)